

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF DELAWARE**

IN THE MATTER OF:)	
)	
UNITED STATES FIRE)	
INSURANCE COMPANY)	
305 Madison Avenue)	DOCKET NO. 2299-2013
Morristown, NJ 07962)	
NAIC #21113)	

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of
March 24, 2014, by and between United States Fire Insurance Company
("Respondent") and the State of Delaware Department of Insurance ("Department").

WHEREAS, Respondent is a property and casualty insurance company incorporated under Delaware law and authorized to conduct the business of insurance in the State of Delaware; and

WHEREAS, the Department received a complaint claiming that an insurance policy had been issued in the complainant's name by Respondent, but that the complainant had not applied for or consented to the issuance of a policy in its name; and

WHEREAS, following an investigation by the Delaware Department of Insurance, it was established that Respondent's appointed agents had failed to take a properly completed policy application from a prospective policyholder and submitted the application without the proper authorization of the prospective policyholder and the Respondent failed to confirm receipt of a completed application prior to issuing the policy, potential violations of the Delaware Unfair Trade Practices Act, 18 Del.C S 2301, et seq. (hereinafter the "Notice Violations"); and

WHEREAS, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. Respondent waives its right to notice and an administrative hearing.
2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Ten Thousand Dollars (\$10,000.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."
3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.
4. This Stipulation and Consent Order is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.
5. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.
6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.
7. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the

Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.


8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

9. This Stipulation and Consent Order shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

[Signature page follows]

UNITED STATES FIRE
INSURANCE COMPANY:

DELAWARE INSURANCE DEPARTMENT:


Print Name: James V. Kraus
Title: SVP, General Counsel
Date: 3/24/14


KAREN WELDIN STEWART, CIR-ML
Insurance Commissioner
Date:

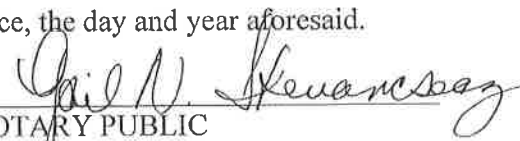
Witness to Respondent's Signature

Name:
Title:
Date:

STATE OF New Jersey)
) SS.
COUNTY OF Morris)

The foregoing instrument was acknowledged before me this 24 day of March 201⁴,
by James V. Kraus, who is personally known to me or who has produced
_____ as identification, and who certified that he or she is duly authorized
to execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.


NOTARY PUBLIC

Gail N. Stevanec
PRINT NAME

GAIL N. STEVANECEZ
NOTARY PUBLIC OF NEW JERSEY
~v Commission Expires March 16, 2018

MY COMMISSION EXPIRES _____